

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 373

April 12, 2021

SUMMARY OF BILL: Authorizes any commissioner of any state agency to develop standards for identifying hazardous duty positions within the relative agency and categorizing working conditions uncommon to a class of employees as mildly hazardous, moderately hazardous, and severely hazardous. If undertaken, a commissioner must consult with and solicit input from the commissioners of the Department of Finance and Administration (F&A) and the Department of Human Resources (DHR).

Authorizes an “appointing authority” to apply to the appropriate commissioners for salary adjustments for such hazardous duty positions, providing sufficient evidence and documentation to substantiate such claim that any such position is hazardous. Requires each application for a hazardous salary adjustment be submitted separately.

Authorizes the Commissioners of the F&A and DHR to audit any such claim.

Establishes that any hazardous pay adjustment can only be applied when the individual is working in a hazardous condition.

Establishes a five percent (5%) salary adjustment for working in mildly hazardous conditions, seven and one-half percent (7.5%) for working in moderately hazardous conditions, and ten percent (10%) for working in severely hazardous conditions.

Requires a state agency to compensate a former state employee for an approved hazardous salary adjustment for work performed, regardless of whether the employee has transferred to another agency or is separated from service.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$17,362,500/FY21-22 and Subsequent Years

Assumptions:

- The number of employees for whom an appointing authority will seek a salary adjustment and the percentage increase of any such salary adjustment is unknown.
- Based on information provided by the DHR, approximately 20,337 state employees were unable to work from home during the COVID-19 pandemic.
- In addition, this legislation could apply to Non-COVID 19-related issues.

- For purposes of this fiscal note, it is assumed that at least 5,000 employees would be paid hazard pay at the rate of 7.5 percent of the such employees' base salary each year.
- Based on information provided by the DHR, at an average salary of approximately \$46,300, the annual increase in state expenditures to provide hazard pay for 5,000 employees would exceed \$17,362,500 [5,000 employees x \$46,300 x 7.5%].
- It is assumed that individual state agencies will be able to accommodate the requirements of this legislation utilizing existing resources without a significant increase in state expenditures.
- Based on previous information provided by the Department of Treasury, this legislation will have no significant impact on the Tennessee Consolidated Retirement System.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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